Time Limit for Sanction of Schemes for Units Registered with BIFR

3871. MISS FRIDA TOPNO: Will the Minister of FINANCE be pleased to state:

(a) whether Government have any plan to prescribe time limit for sanction of scheme after a unit is registered under BIFR;

(b) whether RBI has any plan to relax provisions of non-performing assets in case of industries registered with BIFR which require immediate and urgent infusion of funds for operations of the units to avoid any lay off, closure of suspension of production; and

(c) whether in such cases BIFR would issue instructions to Banks to allow operation of Bank accounts in order to maintain production for arresting cash losses ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) : (a) The cases registered with Board for Industrial and Financial Reconstruction (BIFR) are dealt with in accordance with the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985. Section 18(1) of the Act lays down that the Operating Agency shall prepare Rehabilitation proposal as expeditiously as possible and ordinarily within a period of 90 days.

(b) Reserve Bank of India (RBI) has reported that at present, there is no proposal to relax provisioning norms in respect of Non-Performing Assets (NPAs) of Industries registered with BIFR.

(c) As per the scheme of SICA, BIFR has no jurisdiction to issue instructions to the banks to allow holding on operations in their accounts. However, in certain cases, on the requests received from the companies, the Board has advised the concerned banks to allow such holding on operations so that the financial position of the sick industries does not deteriorate further.

Rural Credit

3872 SHRI H. K. JAVARE GOWDA : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that even after the enhancement of corpus fund in rural credit, the poor cultivators are not benefited ; and